The Conference Board

Serving Business and Society for 75 Years

A Monthly Report from the Consumer Research Center October 1991

Consumer Confidence Survey

September Results

Consumers' Spirits Still Subdued

The level of Consumer Confidence was down again in September for the third consecutive month. The latest Index (1985=100) reading is 72.7, a loss of almost 3.5 points for the month. Compared to a month ago, consumers are a good deal less positive in their assessment of prevailing conditions and also somewhat less optimistic in their expectations for the months ahead.

In their appraisal of the current scene, people continue to express increasing concern with the employment situation. Now only 7.5 percent report that jobs are "plentiful," but over 40 percent indicate that jobs are "hard to get." These are the most negative readings since the 1982 recession experience. On the question of business conditions generally, consumers continue to express substantial concern. Only 11 percent believe that conditions are "good," more than four times as many say that they are "bad."

In their expectations of likely business developments over the next six months, there has been relatively little change. About 23 percent of all respondents believe that conditions will be "better," slightly more than 10 percent expect that they will worsen. However, people are less optimistic about the employment outlook. Now, about 17 percent believe there will be "more jobs" available six months hence, but 19.5 percent hold the reverse view. Both these figures are less positive than a month ago. Concerning their personal financial circumstances, 22 percent of all survey participants expect that they will improve, 8.6 percent believe that they will be less favorable. These figures are slightly better than previously.

While consumers are somewhat less confident in September than in August, there has been a modest gain in intentions to spend. About 7 percent of all respondents now say they plan to buy a car within the next six months, up from 6.5 percent in the immediately preceding probe. Interest in acquiring a home has picked up, from 2.9 percent a month ago to 3.4 percent now. Falling mortgage rates may have contributed to this improvement. Plans to purchase a major appliance are also up slightly.

Consumers are increasingly concerned with prevailing conditions and continue to be ambivalent about the future. A concerned and insecure consumer is a cautious spender, as recent lackluster retail sales indicate. Based on recent Consumer Confidence readings, those who expect the economy to rebound in the remaining months of this year are likely to be disappointed.

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

Business Employment Income

All series seasonally adjusted	1990 Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug(r)	Sep(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	85.6	62.6	61.7	61.2	55.1	59.4	81.1	79.4	76.4	78.0	77.7	76.1	**72.7**
Present Situation	97.5	73.2	70.3	63.3	54.7	53.1	51.7	48.9	47.8	43.7	43.8	45.1	**39.3**
Expectations	77.7	55.6	56.1	59.8	55.3	63.6	100.7	99.7	95.5	100.9	100.3	96.8	**95.0**
Appraisal of Present Situation: Percent													
Business Conditions													
Good	19.4	14.2	14.4	13.3	11.1	11.7	11.6	11.7	11.8	10.7	12.0	12.1	**11.0**
Bad	24.6	28.9	29.8	30.3	34.4	33.3	34.2	35.7	37.2	38.8	37.3	37.4	**39.8**
Normal	56.0	56.9	55.8	56.4	54.5	55.0	54.2	52.6	51.0	50.5	50.7	50.5	**49.2**
Employment													
Jobs plentiful	20.6	15.3	13.7	12.4	11.4	10.0	10.4	9.4	9.8	8.7	7.8	8.6	**7.5**
Jobs not so plentiful	54.3	54.9	56.9	55.9	55.5	56.8	53.9	55.1	52.4	53.8	54.6	52.8	**52.3**
Jobs hard to get	25.1	29.8	29.4	31.7	33.1	33.2	35.7	35.5	37.8	37.5	37.6	38.6	**40.2**
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	15.1	12.0	10.9	12.1	11.8	14.4	27.7	25.2	24.4	27.7	24.4	25.3	**23.0**
Worse	20.4	29.7	29.6	25.6	28.1	24.3	10.6	9.4	11.3	9.6	9.5	10.2	**10.5**
Same	64.5	58.3	59.5	62.3	60.1	61.3	61.7	65.4	64.3	62.7	66.1	64.5	**66.5**
Employment													
More jobs	13.9	9.5	9.9	9.9	9.0	11.6	20.8	19.4	18.9	21.0	19.9	18.8	**17.1**
Fewer jobs	23.2	34.9	34.9	33.9	35.3	31.4	19.1	17.9	18.6	17.4	18.1	18.5	**19.5**
Same	62.9	55.6	55.2	56.2	55.7	57.0	60.1	62.7	62.5	61.6	62.0	62.7	**63.4**
Income													
Increase	26.5	19.5	22.4	22.3	19.8	20.9	23.3	20.7	21.1	20.0	23.0	20.6	**22.0**
Decrease	8.7	11.0	11.5	10.4	11.1	11.6	8.7	8.9	10.1	9.8	9.0	9.9	**8.6**
Same	64.8	69.5	66.1	67.3	69.1	67.5	68.0	70.4	68.8	70.2	68.0	69.5	**69.4**
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.8	6.3	6.5	6.2	6.0	7.5	6.6	7.7	6.9	6.2	6.4	6.5	**7.1**
New	3.8	3.3	2.2	2.9	3.0	3.7	3.3	4.0	3.2	3.1	4.0	3.5	**3.2**
Used	2.7	2.0	3.2	2.8	2.4	3.0	2.6	3.1	3.0	2.8	2.1	2.7	**3.0**
Uncertain	1.3	1.0	1.1	0.5	0.6	0.8	0.7	0.6	0.7	0.3	0.3	0.3	**0.9**
Home													
Yes	2.9	2.9	2.6	2.7	2.6	3.0	4.2	3.0	2.8	2.8	2.9	2.9	**3.4**
New	0.8	0.6	0.9	0.6	0.7	0.8	1.1	0.8	0.9	0.6	0.5	0.7	**0.9**
Lived in	1.2	1.7	1.4	1.5	1.3	1.5	2.1	1.5	1.4	1.6	2.0	1.4	**1.7**
Uncertain	0.9	0.6	0.3	0.6	0.6	0.7	1.0	0.7	0.5	0.6	0.4	0.8	**0.8**
Major appliances													
Total plans	30.3	26.0	25.3	26.9	27.4	28.0	32.5	27.8	26.9	24.7	27.9	29.5	**30.8**
Refrigerator	4.8	3.6	3.7	4.1	4.4	4.9	5.3	3.6	4.0	3.5	4.0	4.6	**5.9**
Washing machine	3.9	3.6	3.1	3.5	3.9	4.3	4.6	3.8	3.2	3.5	4.4	3.7	**3.1**
TV Set	7.7	7.0	6.8	7.1	6.9	6.6	8.5	6.7	7.0	5.0	6.4	7.7	**7.5**
Vacuum Cleaner	5.7	4.1	4.5	4.7	5.0	4.6	5.5	5.3	5.2	4.8	4.4	5.3	**5.8**
Range	3.0	2.9	2.3	3.0	2.7	2.9	2.9	2.7	2.7	2.8	2.9	2.4	**2.9**
Clothes dryer	3.2	3.2	2.7	3.0	2.9	3.1	4.0	3.8	3.2	3.4	3.2	3.4	**2.8**
Air conditioner	2.0	1.6	2.2	1.5	1.6	1.6	1.7	1.9	1.6	1.7	2.6	2.4	**2.8**
Carpet	6.7	5.9	5.1	5.6	6.2	5.7	6.8	5.9	6.7	6.3	6.7	5.6	**6.6**
Vacation Intended Within Six Months: Percent													
Vacation Intended		45.9		47.4		45.8		47.3		45.9		46.6	
Destination													
U.S.		40.0		41.4		41.0		41.8		40.6		40.6	
Foreign country		7.5		7.3		6.4		7.1		6.4		7.8	
Means of Travel													
Automobile		27.7		27.9		28.5		28.4		28.2		28.2	
Airplane		16.4		17.5		16.3		17.8		17.7		17.2	
Other		3.9		3.7		3.9		4.4		3.0		4.4	

(p)—preliminary (r)—revised

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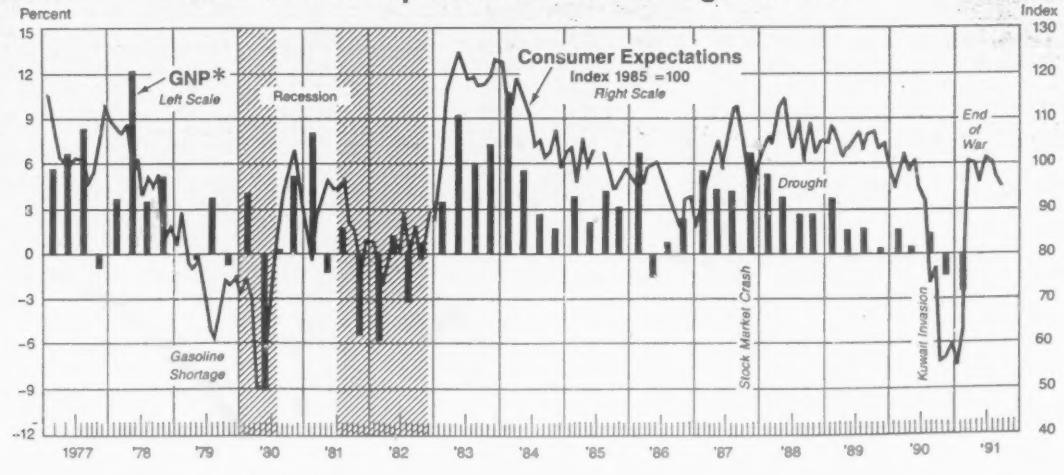
Inflation Interest Rates Stock Prices

Not Seasonally Adjusted	1990 Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug(r)	Sep(p)
					Expectations for Twelve Months Hence: Percent								
Inflation Rate													
Average	5.7	6.4	5.9	5.8	5.5	5.2	4.7	4.8	4.7	4.5	4.8	4.7	4.6
Interest Rates													
Higher	64.2	57.4	53.2	49.8	33.4	34.4	42.8	45.5	35.3	45.9	50.7	46.9	40.9
Same	18.8	18.0	21.9	19.9	20.8	22.2	25.3	27.9	29.2	29.6	27.9	27.5	30.6
Lower	17.0	24.6	24.9	30.3	45.8	43.4	31.9	26.6	35.5	24.5	21.4	25.6	28.5
Stock Prices													
Increase	31.4	26.8	25.8	27.4	26.3	37.8	46.6	42.8	41.7	43.7	41.8	39.3	39.1
Same	28.8	25.0	28.2	30.0	29.9	31.1	31.7	35.1	36.5	34.0	34.8	36.1	36.7
Decrease	39.8	48.2	46.0	42.6	43.8	31.1	21.7	22.1	21.8	22.3	23.4	24.6	24.2

All series seasonally adjusted	1990 Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug(r)	Sep(p)	3 mos. Percent Change*
						Consumer Confidence Index, 1985 = 100								
AGE OF HOUSEHOLD HEAD														
Under 35	94.2	81.9	80.1	73.5	66.5	65.2	90.6	92.9	92.7	87.7	91.0	92.4	89.7	-0.1
35-54	86.6	61.6	59.6	61.9	56.8	62.5	82.0	77.7	77.9	78.5	79.9	77.1	69.0	-3.5
55 and over	76.6	50.0	50.5	50.7	42.5	50.0	69.4	70.0	63.2	67.9	64.9	61.7	61.3	-6.5
HOUSEHOLD INCOME														
Under $15,000	71.6	50.7	46.4	54.2	41.4	47.0	60.3	62.1	57.8	53.3	58.2	51.7	53.5	-5.6
$15,000-24,999	80.7	55.0	62.9	55.4	49.4	54.9	72.1	76.5	75.4	71.0	67.9	78.4	65.8	-4.8
$25,000-34,999	84.1	66.7	63.4	63.0	59.3	61.9	85.3	79.5	83.1	81.6	80.6	80.4	69.3	-5.7
$35,000-49,999	95.1	69.9	73.3	64.7	63.3	64.8	87.9	83.4	77.9	88.7	85.9	81.4	81.3	-0.5
$50,000 and over	94.5	71.9	67.6	69.0	64.6	69.0	98.2	94.9	89.5	93.7	93.8	89.0	86.2	-3.3

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.

Consumer Expectations and Changes in GNP



*Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

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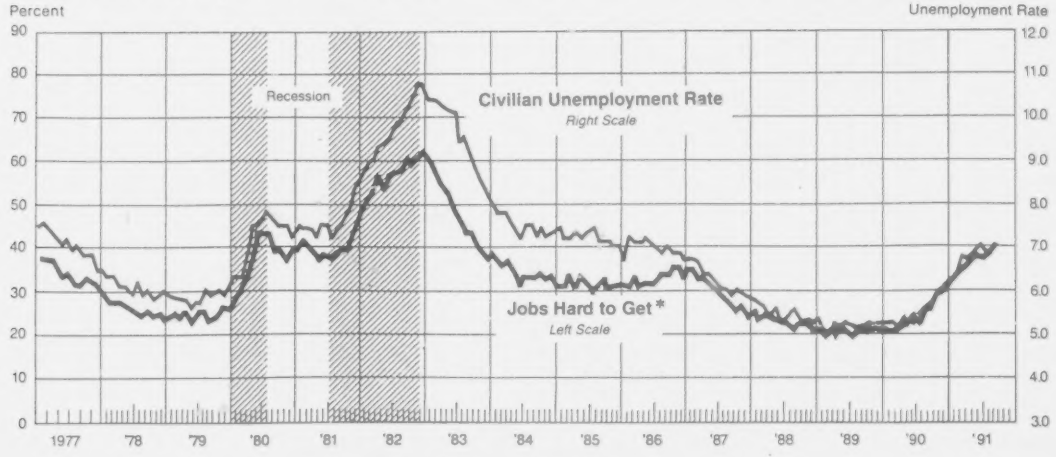
CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985=100	1990 Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug(r)	Sep(p)	AVERAGE: July, Aug., Sept. 1990	1991	Percent Change
NEW ENGLAND																
Consumer Confidence Index	39.4	23.0	26.3	26.9	29.6	37.3	53.5	52.1	49.8	51.2	47.9	57.6	54.9	37.1	53.5	44.2
Present Situation	29.9	9.2	10.8	8.8	6.5	3.6	3.1	5.5	6.5	4.2	5.0	7.5	6.0	30.2	6.1	-79.7
Expectations	45.8	32.2	36.7	38.9	45.0	59.8	87.1	83.2	78.7	82.5	76.6	91.1	87.4	41.7	85.0	104.1
MIDDLE ATLANTIC																
Consumer Confidence Index	75.7	56.9	47.8	47.3	46.2	48.9	72.6	66.0	65.3	65.5	60.1	61.7	64.1	77.1	62.0	-19.7
Present Situation	96.6	74.3	52.9	48.2	38.4	33.6	33.3	27.5	30.1	25.4	25.0	24.7	26.2	97.8	25.3	-74.2
Expectations	61.7	45.3	44.4	46.8	51.4	59.1	98.8	91.6	84.8	92.3	83.5	86.3	89.4	63.4	86.4	36.4
EAST NORTH CENTRAL																
Consumer Confidence Index	87.8	72.7	65.7	60.9	56.4	55.0	80.8	77.6	72.6	77.9	83.3	72.6	73.2	93.6	76.4	-18.4
Present Situation	113.5	101.2	87.4	80.6	66.7	49.9	53.4	52.7	47.4	51.8	54.2	49.9	45.2	116.6	49.8	-57.3
Expectations	70.7	53.6	51.2	47.8	49.5	58.5	99.0	94.2	89.4	95.3	102.7	87.7	91.9	78.2	94.1	20.3
WEST NORTH CENTRAL																
Consumer Confidence Index	68.7	67.2	61.0	54.3	61.1	54.5	76.5	71.6	73.7	74.5	73.4	70.4	75.8	80.5	73.2	-9.0
Present Situation	83.6	87.5	78.7	62.3	65.7	56.2	53.6	51.5	60.7	48.3	50.3	52.6	62.1	98.1	55.0	-43.9
Expectations	58.8	53.7	49.2	49.0	58.0	53.3	91.9	85.0	82.4	92.0	88.8	82.3	85.0	68.7	85.4	24.2
SOUTH ATLANTIC																
Consumer Confidence Index	98.0	74.0	69.4	63.5	59.2	69.9	86.0	85.8	84.4	86.4	85.8	84.0	84.9	104.6	84.9	-18.8
Present Situation	126.3	95.4	87.9	74.5	63.4	59.3	44.5	55.3	47.4	51.1	47.3	50.7	52.3	131.5	50.1	-61.9
Expectations	79.1	59.8	57.1	56.1	56.4	77.0	113.7	106.2	109.1	109.9	111.5	106.2	106.6	86.7	108.1	24.7
EAST SOUTH CENTRAL																
Consumer Confidence Index	90.1	55.9	47.9	64.9	50.7	58.5	85.9	77.1	61.7	73.2	79.5	72.9	64.1	87.7	72.2	-17.7
Present Situation	102.4	59.7	47.4	63.4	39.2	50.4	45.8	39.7	37.5	42.6	44.7	50.8	26.1	96.0	40.5	-57.8
Expectations	81.9	53.3	48.3	65.8	58.4	63.9	112.6	102.1	77.9	93.7	102.7	87.6	89.5	82.1	93.2	13.5
WEST SOUTH CENTRAL																
Consumer Confidence Index	90.6	63.5	71.8	70.0	60.3	66.5	84.3	75.8	73.0	76.3	67.5	65.4	70.8	84.3	67.9	-19.5
Present Situation	62.5	44.0	47.1	54.3	42.1	40.0	45.7	43.3	43.4	40.4	34.7	36.7	40.8	59.9	37.4	-37.7
Expectations	109.4	76.5	88.3	80.4	72.4	84.2	110.0	97.5	92.8	100.2	89.4	84.5	90.8	100.5	88.2	-12.2
MOUNTAIN																
Consumer Confidence Index	108.5	62.5	68.6	77.1	67.9	65.8	83.2	98.1	81.5	95.3	86.3	94.2	80.7	93.2	87.1	-6.6
Present Situation	96.5	51.4	60.6	58.7	51.4	38.4	58.9	58.8	48.9	57.9	61.7	53.3	52.5	82.9	55.8	-32.6
Expectations	116.5	70.0	74.0	89.3	78.9	84.0	99.5	124.3	103.3	120.2	102.7	121.5	99.5	100.2	107.9	7.7
PACIFIC																
Consumer Confidence Index	105.6	88.0	92.0	80.0	70.3	84.9	101.1	95.8	91.0	89.5	90.6	87.2	81.4	111.9	86.4	-22.8
Present Situation	143.4	120.0	134.1	113.2	78.1	94.3	85.8	72.0	82.4	77.5	73.4	72.9	64.7	155.1	70.3	-54.7
Expectations	80.4	66.7	63.9	57.9	65.1	78.6	111.3	111.6	96.8	97.5	102.1	96.8	92.6	83.1	97.2	16.9

* Percent Change: Average of last three months shown as compared with same period year. Regional data are not adjusted for seasonal variation.

Unemployment and Consumer Assessment of Job Availability



*Percent of respondents reporting "jobs hard to get," Conference Board Consumer Confidence Survey.